

Day Trader

July 2024 – August 2024

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Executive Summary

Over a one-month summer period, I applied a range of day trading strategies—acquired from workshops such as Naked Training Mastery, Fibonacci Trading and Dynamic Targeting, Mastering Market Momentum, and Candlestick Pattern Analysis—to paper trade with \$100,000 in virtual capital. By systematically executing entry and exit criteria, managing risk through stop-loss orders, and exploiting high-probability setups, I achieved a net profit of \$50,000 (50% ROI) across approximately 100 simulated trades.

Context & Objectives

Workshops Attended:

I attended a variety of workshops to build by foundational knowledge including the following:

- Naked Training Mastery
- Everyday Profits Workshop
- Intro to Options & Basic Options Strategies
- Advanced 11-Hour Options
- Fibonacci Trading and Dynamic Targeting
- Mastering Market Momentum
- Impulse Trading & Divergence Trading
- Candlestick Pattern Analysis
- Things to Know When Trading Options

Goals:

- Test and validate multiple intraday strategies in a controlled environment.
- Develop disciplined risk management and position sizing techniques.
- Refine pattern recognition skills (momentum, reversal, breakout).
- Evaluate performance metrics and identify areas for improvement.

Strategies & Methodology

I analyzed candlestick formations—such as engulfing patterns and hammers—to anticipate reversals and continuations. I executed momentum trades by targeting opening-range breakouts and intraday trending days, guided by momentum indicators. I employed Fibonacci retracement levels at 23.6%, 38.2%, and 61.8% to find optimal pullback entry points. I monitored RSI and MACD divergences to predict potential market reversals. In addition, I explored basic call and put options strategies to gain leveraged exposure and took advantage of time decay in the options market. Throughout the process, I limited risk per trade to one to two percent of my total capital and enforced a daily loss limit of five percent to maintain emotional discipline

Performance Metrics

Metric	Value
Initial Capital	\$100,000
Net Profit	~\$50,000
Return on Investment (ROI)	50%
Number of Trades	~100
Win Rate	60%
Average Trade Duration	15 minutes

Trade Analysis

The most successful strategy involved entering trades at Fibonacci retracement levels during strong trending moves, which delivered an average gain of 3% per trade, exemplified by a significant price spike in ABC Inc. Conversely, early morning reversal patterns without sufficient volume confirmation produced the poorest results, as they prompted wider stop-loss placements and resulted in frequent whipsaws. Overall, momentum and Fibonacci-based trades provided the best risk-adjusted returns, while divergence signals proved less reliable when trading lower-liquidity stocks.

Challenges & Adjustments

Emotional discipline was a challenge at first, as I occasionally exited trades prematurely during drawdowns. To overcome this, I formalized my stop-loss rules and committed to them fully. I also found myself overtrading, executing too many small-loss trades, so I introduced a minimum threshold for signal strength before taking a position. Additionally, I observed that midday market noise and end-of-day volatility lowered the probability of successful setups, prompting me to avoid trading during those periods or to apply stricter filters.

Lessons Learned & Next Steps

- Prioritize breakout and momentum strategies in high-volume names.
- Integrate volume-weighted average price (VWAP) for improved intraday bias.
- Develop a simple back-testing framework to validate new patterns before live deployment.
- Consider small-scale real-money trial.